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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of)
)
Democratic National Committee/)
DNC Services Corporation and) MURs 4936 & 5038
Andrew Tobias, as treasurer)
)

CONCILIATION AGREEMENT

This matter was initiated by a signed, sworn, and notarized complaint by Mark Kleinman of People for Truth and by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. In MUR 4936, the Commission found reason to believe that the Democratic National Committee/DNC Services Corporation and Andrew Tobias, as treasurer, violated 2 U.S.C. §§ 441a(f), 441b(a) and 434(b)(2)(D).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of these proceedings, and this agreement shall have the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in these matters.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in these matters are as follows:

1. Democratic National Committee/ DNC Services Corporation is a political committee within the meaning of 2 U.S.C. § 431(4).

2. Andrew Tobias is the treasurer of the Committee.

3. The Federal Election Campaign Act of 1971, as amended ("the Act"), states that no multicandidate political committee shall make contributions to the political committees established and maintained by a national political party, which are not the authorized political committees of any candidate, in any calendar year, which, in the aggregate, exceed \$15,000.

2 U.S.C. § 441a(a)(2)(B).

4. A contribution includes a gift, loan, advance, deposit of money, or anything of value. 2 U.S.C. § 431(8)(A)(i).

5. The Act states that no multicandidate political committee shall make contributions to any other political committee that is neither an authorized committee nor a national party committee in any calendar year which, in the aggregate, exceeds \$5,000.

2 U.S.C. § 441a(a)(2)(C).

6. 2 U.S.C. § 441a(f) states that no candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of section 441a, and that no officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under section 441a.

7. Under 2 U.S.C. §§ 434(b)(2)(D) and (b)(4)(H)(ii), all reports filed with the Commission by a committee must disclose contributions from and to other political committees.

8. The HWPC was a political committee within the meaning of 2 U.S.C. § 431(4) and a multicandidate political committee within the meaning of 2 U.S.C. § 441a(a)(4).

9. The HWPC purchased goods and services on the DNC's behalf in connection with a DNC/Clinton-Gore GELAC joint fund-raising event in Los Angeles, CA on September 12, 1996 for which the DNC was the joint fund-raising representative within the meaning of 11 C.F.R. § 102.17.

10. The HWPC made advances on behalf of the DNC when it purchased goods and services for the fund-raiser. By September 6, 1996, the HWPC had made \$47,977 in payments on behalf of the DNC in connection with the fund-raiser. The DNC sent a check to repay the advances on September 6, 1996. However, the HWPC did not receive the check until September 9, 1996. To the extent that the advances were not repaid by September 6, the HWPC made \$32,977 in excessive contributions, although the contributions were excessive for only three (3) days.

11. The DNC failed to report these advances as contributions.

V. The following violations of the Act occurred:

1. The DNC accepted excessive contributions from the HWPC totaling \$32,977 in violation of 2 U.S.C. § 441a(f).

2. The DNC failed to report the advances as a contribution from another political committee. 2 U.S.C. § 434(b)(2)(D).

VI. 1. The Respondents will pay a civil penalty to the Federal Election Commission in the amount of three thousand five hundred dollars (\$3,500), pursuant to

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2 U.S.C. § 437g(a)(5)(A).

2. Respondents will amend their reports to reflect the receipt of \$47,977 in advances from the HWPC.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

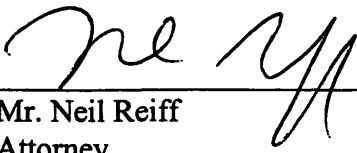
FOR THE COMMISSION:

Lois G. Lerner
Acting General Counsel

BY: Abigail A. Shaine
Abigail A. Shaine
Acting Associate General Counsel

3/2/01
Date

FOR THE RESPONDENTS:



Mr. Neil Reiff
Attorney

12/8/00

Date

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